

Message Text

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44

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 TAR-01 L-03 CIAE-00 COME-00

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R 021500Z JUL 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 7220

LIMITED OFFICIAL USE GUATEMALA 3384

E.O. 11652: N/A

TAGS: EWWT, GT, US

SUBJECT: DELTA/FLOMERCA PROBLEM

REF: A. GUATEMALA 3339 B. GUATEMALA 3295

1. FLOMERCA PRESIDENT MARTINEZ DEL ROSAL HAS CONFIRMED TO EMBOFFS THAT FLOMERCA NOW SUPPORTS MARITIME TAX (REF. A), BUT FORESEES DELAY IN FINALIZATION OF PROPOSED LAW BY INTER-MINISTERIAL COMMISSION AND PASSAGE OF LAW BY CONGRESS. FLOMERCA DOES NOT EXPECT NEW LAW WILL COME INTO EFFECT UNTIL SEPTEMBER AT EARLIEST.

2. COMMENT: BARRING DIRECT CONFRONTATION BETWEEN DELTA AND FLOMERCA AND RESULTANT FIREWORKS OVER ACCESS ISSUE WHICH MIGHT COMPLICATE PASSAGE OF LAW, LAW MAY NOT BE PROMULGATED UNTIL PERHAPS WELL AFTER SEPTEMBER. WILL BE ABLE TO JUDGE BETTER FOLLOWING COMPLETION OF COMMISSION'S JOB, EITHER CLOSER TO RUBIO'S ESTIMATE OF TWO WEEKS AS AGAINST MARTINEZ DEL ROSAL'S ESTIMATE OF TWO MONTHS OR SO.

3. MARTINEZ DEL ROSAL ALSO TOLD EMBOFFS THAT FLOMERCA OPPOSITION IN JANUARY 1975 TO SIMILAR MARITIME TAX MEASURE WAS WHAT KILLED BILL THEN. HIS RATIONALE FOR FLOMERCA SUPPORT NOW -- INCREASED REVENUE -- SOMEWHAT DOUBTFUL AND MAY NOT FULLY EXPLAIN APPARENT FLOMERCA TURN-ABOUT ON QUESTION.

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4. MARTINEZ DEL ROSAL REPORTED THAT DELTA HAD FLATLY TURNED DOWN ASSOCIATION PROPOSAL (REF. B) AND IS PROCEEDING WITH PROTEST TO FMC RE GUATEMALAN CARGO DISCRIMINATION. PRESIDENT WAS SURPRISED THAT US LINE DID NOT EVEN CONSIDER PROPOSAL OF POINT OF DEPARTURE FOR SUBSEQUENT NEGOTIATION. SINCE SAME PROPOSAL HAD BEEN MADE AND TURNED DOWN EARLIER, WE DO NOT SHARE FLOMERCA'S SURPRISE.

5. COPIES OBTAINED OF PROPOSED LAW AND FLOMERCA'S PROPOSAL. BEING POUCHED TO EB/TT/MA. DESPITE WHAT RUBIO SAID (REF. A), LAW DOES DISCRIMINATE - EXCLUDING FROM HAX NET FREIGHT ON CARGO ORIGINATING IN CENTRAL AMERICA -- BUT THIS FAIRLY STANDARD WITHIN CENTRAL AMERICAN COMMON MARKET. FLOMERCA PROPOSAL CALLS FOR PAYMENT BY DELTA TO FLOMERCA OF 5 PERCENT OF FREIGHT ON CARGO BROUGHT IN BY DELTA TO GUATEMALA, CONTRIBUTING TO ECONOMIC DEVELOPMENT AND THEREFORE EXEMPT FROM IMPORT TAXES. IN EXCHANGE, DELTA ALLOWED 12 SAILINGS A YEAR FROM LOUISIANA PORTS. NO MENTION OF DELTA PARTICIPATION IN EXPORT TRADE TO US OR OF FLOMERCA'S IN EITHER IMPORT OR EXPORT TRADE WITH US.
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